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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 24, 2000

APPLICATION OF

UNITED TELEPHONE-SOUTHEAST, INC.

CASE NO. PUC990003

For permission to grandfather certain Custom Calling Service Packages

ORDER

On February 5, 1999, the Commission entered an Order allowing the introduction of five new Custom Calling Feature packages to go into effect on February 8, 1999, as requested by United Telephone-Southeast, Inc. ("United" or "Company") in tariff revisions filed by the Company on December 28, 1998. The Order suspended, however, the February 8, 1999, effective date of United's proposed grandfathering of four of its existing Custom Calling Feature packages tariff until further Order of the Commission. Pursuant to the Order, all customers were notified by bill insert of the Company proposal. Proof of Notice was filed on April 30, 1999. A Staff Report was filed on May 24, 1999, and United filed its Response to the Staff Report on June 8, 1999. No comments or requests for hearing have been filed in this matter.

The Staff notes concerns in several areas regarding obsoleting the less expensive packages offered by United as well as obsoleting two packages that include a less expensive version of a call waiting service. Customers wanting some of the basic services currently offered in a package "... would be forced to subscribe to each service individually and receive no multi-service discount. This would result in an increased price over the packaged rates...." Additionally, "... obsoleting the four existing packages is being used to sell larger packages at higher monthly rates."²

United notes in its Response that the services in question in this matter are discretionary as set out by definition in the Company's Alternative Regulation Plan ("Plan") approved by the Commission on October 18, 1994, in Case No. PUC930036. These services are optional and nonessential, and no rate for a discretionary service or existing combination of discretionary services is changed. Existing customers "will continue to have the same services at the same price until they elect to change their service. None of the prices for any of the services is changing."3

After consideration of the Staff Report and the Company's Response, the Commission is of the opinion that the Custom Calling Packages are optional, nonessential, discretionary services and that United should be allowed the opportunity and latitude to determine how it wishes to market these services. Accordingly,

IT IS THEREFORE ORDERED THAT:

Staff Report filed May 24, 1999, pages 2-3.

Id., page 4.

Response of United filed June 8, 1999, page 5.

- (1) The suspension of the effective date to grandfather four existing tariffed Custom Calling Feature packages ordered by the Commission on February 5, 1999, is hereby terminated, and United may grandfather these packages immediately.
- (2) There being nothing further to come before the Commission at this time regarding this matter, the papers contained herein shall be placed in the file for ended causes.